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BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

T.R.A. DOCKET ROOM

IN RE: PETITION OF ATMOS ENERGY)
CORPORATION FOR APPROVAL OF)
FRANCHISE AGREEMENT WITH)
GREENEVILLE, TENNESSEE)
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DOCKET NO. 04-00074

**PETITION OF ATMOS ENERGY CORPORATION FOR APPROVAL OF
FRANCHISE AGREEMENT WITH GREENEVILLE, TENNESSEE**

Atmos Energy Corporation ("Atmos") hereby petitions the Tennessee Regulatory Authority ("TRA") pursuant to Tenn. Code Ann. § 65-4-107 and requests approval of a franchise agreement with Greeneville, Tennessee. In support of this Petition, Atmos states the following:

1. Atmos is a corporation organized and existing under the laws of the State of Texas and the Commonwealth of Virginia, and qualified to do business in Tennessee. Atmos' principal place of business is located at 810 Crescent Centre Drive, Suite 600, Franklin, Tennessee 37067.

2. Atmos is engaged in the public utility business of furnishing natural gas to customers in numerous counties and cities in Tennessee

3. On November 4, 2003, the Board of Mayor and Alderman of the Town of Greeneville, Tennessee passed an ordinance granting Atmos a non-exclusive franchise to use the public rights-of-way of Greeneville for the purposes of operating and maintaining a natural gas

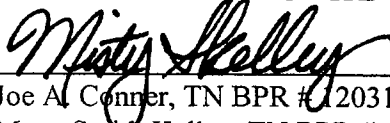
transmission system and providing natural gas service to residents of the Town of Greeneville. A copy of the ordinance is attached hereto as Exhibit A.

4 The ordinance grants Atmos a franchise for the term of 20 years. The ordinance provides that Atmos will collect a franchise fee of 3% gross revenues from residential customers and 2% gross revenues from commercial and industrial customers. The ordinance also provides that Atmos will collect a franchise fee of 3% gross revenues for other sales of gas delivered in whole or in part through the Greeneville franchise system, provided no other political subdivision is charging a similar fee on those sales outside the corporate limits of the Town of Greeneville.

5 The franchise grant embodied in the November 4, 2003 ordinance is necessary and proper for the public convenience and properly conserves the public interest.

Wherefore, Atmos respectfully requests that the franchise agreement embodied in the attached ordinance be approved.

BAKER, DONELSON, BEARMAN
CALDWELL & BERKOWITZ



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(423) 752-9549
mkelley@bakerdonelson.com
Attorneys for Atmos Energy Corporation

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been mailed, postage prepaid, to the following parties of interest this 2nd day of March, 2004.

Richard Collier
General Counsel, Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Timothy C. Phillips
Office of Attorney General and Reporter
Consumer Advocate and Protection Division
P O. Box 20207
Nashville, TN 37202



ORDINANCE NO. 1532

AN ORDINANCE GRANTING TO ATMOS ENERGY CORPORATION, ITS SUCCESSORS AND ASSIGNS, A FRANCHISE TO PROVIDE THE TOWN OF GREENEVILLE, GREENE COUNTY, TENNESSEE, WITH NATURAL GAS SERVICE, AND THE RIGHT TO CONSTRUCT, MAINTAIN, AND OPERATE A SYSTEM OF GAS MAINS AND SERVICE PIPES FOR THE PURPOSE OF TRANSMITTING AND DISTRIBUTING GAS IN, UPON, ACROSS, ALONG AND UNDER THE HIGHWAYS, STREETS, AVENUES, ROADS, ALLEYS, LANES, WAYS, UTILITY EASEMENTS, PARKWAYS AND OTHER PUBLIC GROUNDS OF THE TOWN OF GREENEVILLE, GREENE COUNTY, TENNESSEE.

BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF GREENEVILLE, GREENE COUNTY, TENNESSEE:

SECTION 1 There is hereby granted to Atmos Energy Corporation, a corporation organized and existing under the laws of the State of Texas, and the Commonwealth of Virginia, its successors and assigns (hereinafter for convenience, individually and collectively, referred to as "Company"), the right, authority, privilege and franchise to serve the Town of Greeneville (hereinafter for convenience referred to as "Municipality"), and in the providing of such natural gas service to construct, maintain and operate a system of gas mains, service pipes, regulator stations and all other necessary and appropriate equipment and facilities for the distribution of gas, in, upon, under, along, across and over the highways, streets, avenues, roads, alleys, lanes, ways, utility easements, parkways and other public grounds in the present or future corporate limits of the Municipality, for the supplying and selling of gas and its by-products to said Municipality and the inhabitants, institutions and businesses thereof, and for such purposes to construct, lay down, maintain, and operate all necessary gas mains, service pipes and other appliances, fixtures and facilities as may be necessary for the transmission, distribution and sale of such to said Municipality and the inhabitants thereof for domestic, commercial, industrial and

institutional uses, and other purposes for which it is or may hereafter be used, for a period of Twenty (20) years from and after the passage and approval of this Ordinance.

SECTION II. All gas mains, service pipes, fixtures, facilities and other appliances so laid, constructed and maintained by virtue of this Ordinance, shall be so laid, constructed and maintained in accordance with all applicable engineering codes adopted or approved by the natural gas distribution industry and/or engineering profession and in accordance with any applicable Statutes of the State of Tennessee and the Rules and Regulations of the Tennessee Regulatory Authority or of any other governmental regulatory commission, board or agency having jurisdiction over the Company. Said facilities shall be constructed as not to interfere with the drainage of said Municipality or unreasonably interfere with or injure any sewer or any other improvement which said Municipality has heretofore made or may hereafter make in, upon or along any highway, street, avenue, road, alley, lane, way, utility easement, parkway, or other public ground, or unnecessarily impede or obstruct such highways, streets, avenues, roads, alleys, lanes, ways, utility easements, parkways and other public grounds of said Municipality, and shall conform to the grade as then or hereafter established. The Company agrees to attempt to utilize known right-of-way whenever practical before resorting to right of condemnation to which the Company may be entitled to utilize by law.

SECTION III. When the streets, avenues, alleys and other public ways are opened, or any other opening is made by the Company within the Municipality, whether the same be made for the purpose of laying, constructing, replacing or repairing the mains, pipes and other appliances and fixtures of the Company, the Company shall place and maintain necessary safety devices, barriers, lights and warnings to properly notify persons of any dangers resulting from such entrances, and shall comply with applicable safety regulations required by federal, state and local laws.

SECTION IV In the event it becomes necessary or expedient for the Municipality to change the course or grade of any highway, street, avenue, road, alley, way, parkway, or other public ground in which the Company is maintaining gas mains, pipes or other appliances and fixtures, then, upon the written request of the Municipality, the Company will remove or change the location or depth of such mains, pipes or other appliances and fixtures, as necessary to conform to the proposed street alteration.

SECTION V. Whenever the Company wishes to enter upon any highway, street, avenue, road, alley, lane, way, utility easement, parkway, or other public ground for the purpose of constructing, replacing or repairing any gas mains, pipes, or other appliances, it will, if the Municipality desires, notify the Municipality and file a plan or map of the proposed work, if practicable, before commencing same. Whenever any highway, street, avenue, road, alley, lane, way, utility easement, parkway or other public way shall be entered, dug up or disturbed by the Company, the Company shall, at its expense and as soon as possible after the work is completed, restore such highway, street, avenue, road, alley, lane, way, utility easement, parkway, or other public ground in as good condition as existed before the work was done and to the reasonable satisfaction of the Municipality. In the event the Company shall fail to fulfill its obligations under this Section, the Municipality, after giving the Company reasonable written notice, and failure of the Company to make such repairs or restoration, may make the necessary restoration or repairs itself and the Company shall be liable for the cost of same

The provisions of this Section shall not be applied or interpreted in such a way as to prevent or delay Company work that may be required as a result of any emergency, leak or other immediate hazard or danger. Likewise, the provisions of this Section anticipate that the Company shall not be unreasonably denied permission to perform necessary work.

SECTION VI. As part of the consideration for granting this franchise, the Municipality elects the right to charge and levy, and the Company agrees to collect from its customers, a franchise fee equal to three (3%) of that portion of the Company's gross revenues which result from residential sales of gas in the franchise area or to franchise customers, and two percent (2%) of that portion of Company's gross revenues which result from sales of gas to commercial and industrial customers within the franchise area or to franchise customers, and three percent (3%) of that portion of Company's gross revenues which result from residential sales of gas attributable to "other sales of gas" delivered in whole or in part through the Greeneville franchise system to customers without the franchise area, provided that franchise fees from "other sales of gas" shall be levied and collected only while a similar payment is not levied or required to be paid by any other political subdivision of the State of Tennessee on such sales outside the corporate limits of the Municipality. Company shall collect such franchise fees from its customers in accordance with the provisions of T.C.A. Section 65-4-105, and shall remit to the Municipality franchise fees collected on a fiscal year basis from July 1 to June 30 of each year, such payment to be made within thirty (30) days after the end of each fiscal during the term of this franchise.

SECTION VIII. The Company shall at all times indemnify and hold harmless the Municipality from and against any and all lawful claims for injury to any person or property by reason of the Company or its employees' failure to exercise due care and diligence in and about the installing and maintenance of said system, guarding trenches and excavation while said system is being installed or subsequent extensions, repairs or alterations are being made or generally in the operation and maintenance of said system, provided the Company shall have been notified in writing of any claim against the Municipality on account thereof, and shall have been afforded the opportunity fully to defend the same.

SECTION VIII. The Municipality and the Company hereby agree that this Ordinance shall from time to time be subject to rules and regulations adopted by the Company and approved by the Tennessee Regulatory Authority or any other regulatory body having jurisdiction thereof during the term of this Ordinance, and shall also be subject to all Rules and Regulations adopted and approved by the Tennessee Regulatory Authority or any other regulatory body and that all such Rules and Regulations shall be and become a part of this Ordinance to the same extent and with the same effect as if said Rules and Regulations were herein set out in full. The Company shall not be obligated or required to make any extension of distribution mains or service lines except in accordance with the provisions relating thereto adopted or approved by the Tennessee Regulatory Authority, or any other regulatory body having jurisdiction thereof during the term this Ordinance.

SECTION IX. Nothing herein contained shall be construed as preventing the Company from installing, placing, replacing, taking up, repairing or removing gas pipes, mains, service pipes or other devices for furnishing gas services, from using any easements for gas service which are shown on any plats of any portion of said Municipality heretofore or hereafter platted or recorded or any such easement which may hereafter be created, granted or dedicated for any such utility purposes by any person, firm or corporation whatsoever.

SECTION X. If any section, or portion of any section, of this Ordinance shall hereafter be declared or determined by any court of competent authority to be invalid, the Company and the Municipality at their election may ratify or conform the remaining portions of this Ordinance, and upon such ratification or confirmation the remaining portions of this Ordinance shall remain in full force and effect.

SECTION XI. The Company shall, within sixty (60) days after the passage of the Ordinance, file with the City Recorder or other appropriate official of the Municipality its

unconditional acceptance, signed by its President or Vice President, of the terms and conditions of this Ordinance. After filing of such acceptance, this Ordinance shall constitute a contract between the parties thereto and shall, subject to the rights and powers vested in the Tennessee Regulatory Authority or such other regulatory body of the State of Tennessee as may hereafter succeed to the rights and powers of the Tennessee Regulatory Authority or as may exercise statutory jurisdiction of gas companies furnishing gas service in the State of Tennessee, be the measure of the rights, powers, obligations, privileges and liabilities of said Municipality and of said Company.

SECTION XI. Notwithstanding anything expressly or impliedly to the contrary contained herein, in the event the Company is prevented, wholly or partially, from complying with any obligation or undertaking contained herein by reason of any event of force majeure, then, while so prevented, compliance with such obligations or undertakings shall be suspended, and the time during which Company is so prevented shall not be counted against Company for any reason. The term "force majeure", as used herein, shall mean any cause not reasonably within Company's control and includes, but is not limited to, acts of God, strikes, lock-outs, wars, riots, orders or decrees of any lawfully constituted federal, state or local body, contagions or contaminations hazardous to human life or health, fires, storms, floods, wash-outs, explosions, breakages or accidents to machinery or lines of pipe, inability to obtain or the delay in obtaining rights-of-way, materials, supplies, or labor permits, temporary failures of gas supply, or necessary repair, maintenance, or replacement of facilities used in the performance of the obligations contained in this Ordinance.

SECTION XIII All the privileges given and obligations created by this Ordinance shall be binding upon the successors and assigns of the Company.

SECTION XIV. This new Ordinance shall take effect and be in force immediately upon its passage by the Town of Greeneville, Tennessee and approval by the Board of Mayor and Aldermen of said Town.

Adopted by the Board of Mayor and Aldermen for the Town of Greeneville, Tennessee, this 4th day of November, 2003.

David Bry
Mayor

Approved this 4th day of November, 2003.

Samuel Z. Warner
City Recorder

Attest:

Brenda Loney
(SEAL)

ACCEPTANCE OF FRANCHISE

Town of Greeneville, Tennessee

TO: City Recorder
Greeneville, Tennessee

Atmos Energy Corporation hereby respectfully files with you its written acceptance of the franchise adopted by the Board of Mayor and Aldermen for the Town of Greeneville, Tennessee, dated November 4, 2003, entitled:

ORDINANCE NO. 1532

AN ORDINANCE GRANTING TO ATMOS ENERGY CORPORATION, ITS SUCCESSORS AND ASSIGNS, A FRANCHISE TO PROVIDE THE TOWN OF GREENEVILLE, GREENE COUNTY, TENNESSEE, WITH NATURAL GAS SERVICE, AND THE RIGHT TO CONSTRUCT, MAINTAIN, AND OPERATE A SYSTEM OF GAS MAINS AND SERVICE PIPES FOR THE PURPOSE OF TRANSMITTING AND DISTRIBUTING GAS IN, UPON, ACROSS, ALONG AND UNDER THE HIGHWAYS, STREETS, AVENUES, ROADS, ALLEYS, LANES, WAYS, UTILITY EASEMENTS, PARKWAYS AND OTHER PUBLIC GROUNDS OF THE TOWN OF GREENEVILLE, GREENE COUNTY, TENNESSEE.

and all the rights and privileges, terms and provisions therein contained.

IN WITNESS WHEREOF, Atmos Energy Corporation, has caused this instrument to be signed by its duly authorized offices on this 13th day of November, 2003.

ATMOS ENERGY CORPORATION

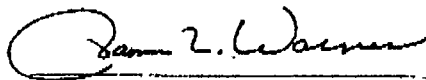
By Thomas R. Blose, Jr.
Thomas R. Blose, Jr.
President, Mid-States Division

RECEIPT

TO: ATMOS ENERGY CORPORATION

The Undersigned, City Recorder of the Town of Greeneville, Greene County, Tennessee hereby acknowledges receipt of an instrument of acceptance of a certain gas franchise ordinance signed by the President of the Mid-States division of Atmos Energy Corporation, and that the acceptance of such franchise ordinance was delivered to the undersigned as City Recorder of said Town on the 20~~th~~ day of November, 2003, and is now held as part of the records of said Town.

WITNESS the hand of said City Recorder and the seal of said Town on this 20~~th~~ day of November, 2003.



City Recorder